

Commonwealth of Massachusetts
Department of Telecommunications and Energy
Fitchburg Gas and Electric Light Company
Docket No. D.T.E. 02-24/25
Responses to the Department of Telecommunications and Energy's
Record Requests

Record Request No. DTE-RR-16 (Gas)

Regarding the \$41k difference between columns 18 and 19 on Schedule JLH-7 (Gas) page 2 of 7. Show the components of this difference (compare) Schedule JLH-7 (Gas) Page 1 of 7 with 2001 test year amounts (which were originally derived in DTE 98-51).

Response:

See JLH-8 Workpapers Supporting Schedule JLH-5 (Gas), Page 188, which shows the reconciliation of Gas Revenues and Gas Costs used for the test period. As shown on this schedule, the following CGA costs were recovered in present CGA rates for the test period.

Dispatching and Acquisition	\$ 34,950	
Production-Related Overhead	225,635	
Fixed Costs LP-LNG-HI	54,316	
Fixed Costs LP-LNG-LO	555,162	
Bad Debts	374,463	
Return Production-Related Overhead	7,224	
Return Fixed Costs LNG & LPG	<u>198,026</u>	
Total Indirect Production Costs		\$ 1,449,776
Plus: Gas Costs		
Fuel LPG	800	
LPG	33,644	
804 & 808 Firm Gas Costs	<u>13,381,692</u>	
		13,416,136
Less: Interruptible Margins	484,392	
	<u>- 433,717</u>	
		50,675
Less: Peaking Demand Charges		<u>39,803</u>
Total Present CGA Revenues		<u>\$14,775,434</u>

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Response to Record Request No. DTE-RR-16 (Gas), continued:

This compares to the following production-related revenue requirement costs at the claimed rate of return shown on Schedule JLH-7 (Gas), Page 1 of 7.

Dispatching	\$ 90,386	
Acquisition	8,400	
Production A&G and Miscellaneous	200,031	
LP & LNG Excluding Acct. 904	803,384	
Bad Debts	<u>298,125</u>	
Total Indirect Costs		\$ 1,400,326
Total Direct Gas Costs		<u>13,416,136</u>
Total Production-Related Revenue Requirement		<u>\$14,816,462</u>

The total indirect gas costs are lower than the test period by \$49,450. The total production-related revenue requirement is higher than the present revenues due to the credits for interruptible margins and peaking demand charges included in the present CGA revenues.

CGA Credits During Test Period	
Interruptible Margin	\$50,675
Peaking Demand Charges	39,803
Less: Decrease in Indirect Costs	49,450
Total Increase in Production Revenue Requirements	<u>\$41,028</u>

Person Responsible: James L. Harrison